

## ABSTRACT

The present invention is directed to an improved system and method for auctioning services, which overcomes some of the drawbacks in the prior art systems and methods.

5 In accordance with one aspect of the present invention, buyers request and specify at the start of the auction the number of lowest bids the buyers would like to see. By requesting to see more bids, the buyers would have greater opportunity to evaluate service providers based on factors other than price, thereby encouraging less price competition among providers. By requesting to see fewer bids, the buyers would have less opportunity to 10 evaluate service providers based on factors other than price, thereby encouraging fierce price competition. The number of bids requested by the Buyer is made known to the bidders. The net effect is that the buyers can control the price/quality tradeoff at the onset of the auction process, and encourage the bidders to provide their lowest bids when pricing is important. This lets the buyers make their final decision based on factors in 15 addition to price, at the lowest price possible.

In another aspect of the present invention, a rating system is employed to rate the buyer's transaction history, with respect to their frequency of following through with the bids for jobs that they submitted for auction. This rating system deters those buyers that casually shop for pricing with little chance of following through with the auction. Buyers 20 who frequently submit jobs without executing them will get a low rating. A low rating discourages service providers from bidding, thereby decreasing the competitiveness of an auction and increasing the cost of obtaining the service. Consequently, buyers will be reluctant or discouraged to submit for auctioning jobs that have a low chance of occurring, because it affects their rating. The buyer follow-through ratings give the 25 bidders a better sense of the buyers' commitment prior to deciding on allocating resources to participate in bidding at the auction.

In one embodiment of the present invention, the system and method for auctioning services are implemented over an information exchange network. In a more specific embodiment of the present invention, the information exchange network is the Internet. 30 This facilitates bringing together the many service providers in a centralized auction

market using standardized, electronic bid forms to communicate prices publicly, and service providers have a chance to adjust their prices in real time.

For purpose of illustrating the inventive concept, the present invention is described using the example of document services, and more particularly printing services.